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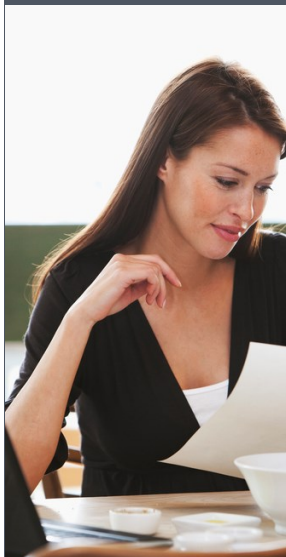
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Mission Statement:

The statutory mission of the Iowa Department of Revenue is to serve Iowans and support state government by collecting all taxes required by law, but no more.

Tips for Filing Your 2016 Iowa Income Taxes





What's new this year?

We are more committed than ever to helping you prevent identity theft and tax refund fraud. The safety of your information is our number one priority. As a result, the income tax refund process will look a little different this year.

- ⇒ **Your refund may take longer.** IDR is committed to combatting identity theft and tax refund fraud. We have robust fraud engines built into our processing systems and we are dedicating more time to verifying the validity of tax refund claims before issuing refunds. The extra time taken helps ensure the right person gets the right refund and criminals don't pocket Iowa taxpayers' money.
- ⇒ **You may get correspondence from us.** Part of our verification process may require an examiner to reach out to you. If you do receive correspondence, contact the examiner listed as soon as possible to expedite the process.
- ⇒ **EITC refunds will not be paid until early March.** Beginning in 2017, a new federal law requires the IRS to hold refunds on tax returns claiming the Earned Income Tax Credit (EITC) until mid-February. This change helps ensure that taxpayers get the refund they are owed by giving the IRS more time to help detect and prevent fraud. IDR will also take time to apply its own fraud checks to EITC refund claims. As a result, it will likely be the beginning of March before EITC refunds are issued.

You can help yourself!

- ⇒ **Provide your driver's license number.** Most electronic tax software has an optional field for driver's license number. Providing that information as part of your return will expedite our verification process. This option is not available for paper returns.
- ⇒ **Secure your own computer.** If you're electronically filing your own return, make sure you have firewall and anti-virus protections that are always turned on and can automatically update. You should also encrypt sensitive files such as tax records you store on your computer and use strong passwords.
- ⇒ **Be wary of tax scams.** Learn to recognize and avoid phishing emails, threatening calls and texts from thieves posing as legitimate organizations such as your bank, credit card company and even IDR or the IRS. Do not click on links or download attachments from unknown or suspicious emails.
- ⇒ **Protect your personal data.** Don't routinely carry your Social Security card, and make sure your tax records are secure. Treat your personal information like you do your cash; don't leave it lying around.
- ⇒ **Keep your documentation.** Compile your documentation before filing and keep it for at least three years (or longer).

Please be patient! Our duty is to ensure that we send the right information to the right person. In previous years IDR's focus has been on turning around refunds quickly. While we still strive to be efficient, your identity is too important. The rise of technology has made it easier and more lucrative for criminals to steal sensitive information.

Are you a victim of identity theft?

If your social security number has been stolen and used to file a fraudulent tax return, you will probably hear about it from the IRS first. If you learn from the IRS or another government agency that your social security number or other identifying information has been stolen, **contact us immediately; do not assume that someone will contact us on your behalf.** The best way to report the theft to us is on our website at <https://tax.iowa.gov/webform/report-fraud>. The IRS also has a comprehensive web page with information and resources for preventing and handling identity theft at <https://www.irs.gov/individuals/identity-protection>.

Conformity with federal law

There are certain Iowa tax deductions that are based upon similar federal tax deductions. However, Iowa law does not automatically conform or “couple” with federal law. If changes are made at the federal level, the Iowa Legislature must pass legislation to match Iowa law to federal law. If they do not, Iowa tax deductions could differ from federal tax deductions.

Some of the federal tax deductions are commonly referred to as the federal “extenders.” They include:

- ⇒ Educator Expenses Deduction
- ⇒ Tuition and Fees Deduction
- ⇒ Itemized Deduction for State Sales/Use Tax Paid
- ⇒ Treatment of mortgage insurance premiums as qualified residence interest

The Iowa Legislature also must take action to conform with Section 179 Expensing. While the federal law has made such tax treatment a permanent part of the Internal Revenue Code, last year, the Iowa Legislature voted to allow Section 179 Expensing for tax year 2015 only.

The federal extenders, as well as Section 179 Expensing, are not currently reflected on 2016 Iowa tax forms. Should legislative approval be given, Iowa online forms will be updated accordingly. **As such, if you plan to take one of the extender deductions or take advantage of Section 179 Expensing, you may want to delay filing your return until the Legislature acts.** The Iowa Legislative Session begins January 9, 2017.

When can I file my return?

Iowa uses the federal Modernized e-File platform (MeF). The Iowa Department of Revenue (IDR) will begin processing returns at the same time as the IRS -- January 23, 2017. There is no advantage to filing tax returns on paper in early January instead of waiting until the 23rd.

Iowa income tax returns are due April 30th, NOT April 15th like federal returns. In 2017 April 30th falls on a Sunday so the **actual return due date becomes Monday, May 1, 2017.**

Iowa income tax filing also differs from federal income tax in that no extension is required to file your return late. However, **amounts due are subject to a 10% penalty if 90% of the tax due is not paid by the return due date.**

How do I file my Iowa Income Tax return?

IDR strongly encourages taxpayers to file their returns electronically. There are many reasons this method is preferable.

- ⇒ **It's more accurate.** Electronic filing software does the calculations for you. It also may provide prompts which help ensure you claim all the deductions and exemptions to which you are entitled.
- ⇒ **It might be free.** It is estimated that up to 70% of Americans are eligible to file their returns for free depending upon factors including age, income level, and veteran status. Through Iowa's participation in the Freefile Alliance, you can access multiple software providers at the touch of a button. IDR's e-file portal can be found at <https://tax.iowa.gov/individual-income-tax-electronic-filing-options>.
- ⇒ **It's safe.** IDR partners with the IRS, tax software providers, and other Departments of Revenue to combat fraud and identity theft.
- ⇒ **It's faster.** When you file electronically you don't spend time hand-writing on forms, doing calculations, and getting your return to the post office. IDR in turn doesn't spend time opening your envelope and data-entering your return information. **That means you will get your refund more quickly by filing electronically.**
- ⇒ **It's direct.** If you file electronically you are eligible to have your refund direct deposited into your bank account. **The direct deposit option is not available for paper returns.**



How can I pay? The fastest, easiest way to pay is online using our eFile and Pay portal. **You can even schedule a payment in advance.** Remember, you must pay at least 90% of the tax due by the return due date in order to avoid a penalty. You can also mail or bring a check or money order to IDR, but we strongly encourage electronic payment. Although it is rare, checks have gotten lost in the mail.

Where can I get help?

- ⇒ IDR's website provides a wealth of information and has an easy-to-use Google search engine. <https://tax.iowa.gov>.
- ⇒ Volunteer Income Tax Assistance (VITA) and Tax Counseling for the Elderly (TCE) offer free tax help to people who qualify. Go to irs.gov and enter "free tax prep" in the search box to learn more and find a nearby VITA or TCE site, or download the IRS2Go smartphone app to find a free tax prep provider.
- ⇒ A trusted tax professional can provide helpful information and advice about the ever-changing tax code. [Tips for choosing a return preparer](#) and details about [national tax professional groups](#) are available on [IRS.gov](https://irs.gov).

Vision Statement

Iowa will be a state where it is easy to understand and
comply with tax obligations.

<https://tax.iowa.gov>